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# How many people work one hour a week?

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# Why one hour?

People are considered employed if they do any paid work which contributes to production in the economy. For practical purposes, this means people who work for at least one hour a week are considered employed. This is consistent with <a href="mailto:approaches used internationally">approaches used internationally</a> (<a href="https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/">https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/</a> 6102.0.55.001~Feb%202018~Main%20Features~Employment~4).

People who do paid work, even if it's only a small number of hours a week, have a job. Given the work in their job contributes to economic production, it is important that all paid work is included when measuring employment (the labour 'input' to the economic 'output'). Any work that people do is important - for the individual, the labour market, and the economy.

The purpose of official employment statistics is to provide an objective and comprehensive measure of whether people are working in a job or not. The headline estimates don't provide a view of the adequacy of an individual's work situation or an individual's family or household circumstances, for example, whether anyone else in the household has a paid job, whether they have other sources of income (welfare payments, investment or pension

income), etc.

There's a variety of monthly and quarterly data available from the <u>Labour Force Survey (/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release)</u> on people whose hours are insufficient. In addition, there are two annual sources that can help understand and monitor the extent of insufficient or inadequate work:

- Participation, Job Search and Mobility (/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia/latest-release)
  , and
- Working arrangements (/statistics/labour/earnings-and-work-hours/workingarrangements/latest-release)

While some people working one hour a week may want to work more hours, or may want a different or better job, the majority of people working only a few hours a week are happy with the hours they have. They may not need, or be able to, work additional hours.

# How many people work one hour a week?

Only a very small number of people usually work one hour a week - most of whom would not like to work any more hours.

Chart 1 shows that in 2020, on average, there were just over 15,000 people who usually worked one hour a week each month. This was around 0.1% of all employed people, which has not changed over recent years. Almost three quarters of these people were 'fully employed' - that is, they did not want to work, or were not available for, any more hours.

Just over a quarter of people working one hour a week (4,400 people) were underemployed, on average, each month. In general, around half of underemployed people do not look for more hours.

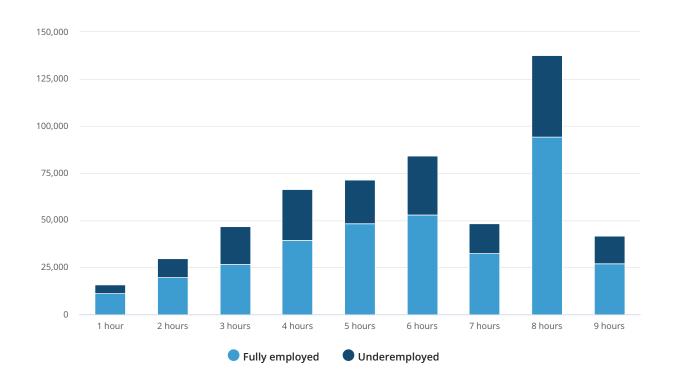
In addition, on average during 2020:

- just over 90,000 people usually worked fewer than 4 hours a week less than 1% of total employment; and
- almost 315,000 people usually worked fewer than 7 hours a week less than 3% of total employment.

People who work one hour a week are less likely to be underemployed than those who work

a slightly higher number of hours. For example, while 28% of people who usually worked one hour a week were underemployed, this figure was higher for people usually working less than 4 hours a week (37%) and those usually working less than 7 hours a week (37%).

Chart 1: Weekly hours usually worked, 2020 annual average, Original



Source: Longitudinal Labour Force microdata

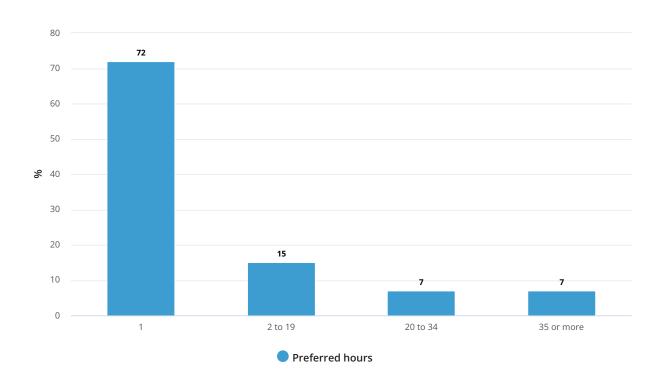
Importantly, a person can also be employed even if they don't usually work (i.e. they are usually classified as unemployed or not in the labour force). There were also 38,000 people each month, on average, who usually work zero hours (i.e. usually do not work), but worked in a survey reference week and were counted as employed. Conversely, a person can be employed if they usually work some hours, but worked zero hours (i.e. didn't work) in the survey reference week - for example, people on leave (see <a href="Insights-hours-worked-march-2021">Insights-hours-worked-march-2021</a>).

### **Preferred hours**

Chart 2 shows the preferred weekly hours of people who usually work one hour a week. While almost three-quarters (72%) of these people preferred to work one hour a week (i.e. they did not want to, or were not available to, work more hours, a further:

- 15% would prefer to work between 2 and 19 hours;
- 7% would prefer to work between 20 and 34 hours; and
- 7% would prefer to work 35 hours or more.

Chart 2: Preferred hours of people working one hour a week, 2020 annual average, Original



Source: Longitudinal Labour Force microdata

#### Who works one hour a week?

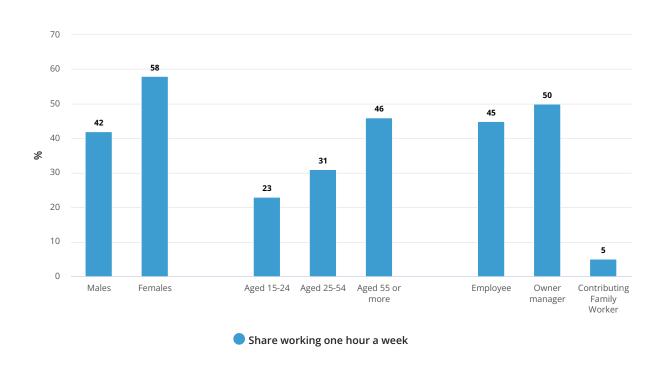
The people who usually work one hour a week are predominantly female, older, and working in their own business (Chart 3). Almost half of those usually working one hour a

week were aged 55 or over, while over half were owner managers of their own incorporated or unincorporated business (or were working in a family business without pay).

In 2020, of the people who usually worked one hour a week, on average:

- almost half (48%) were either Professionals or Clerical and administrative workers;
- almost half (47%) were employed in either the Construction, Professional, scientific and technical Services, Education and training or Health care and social assistance industries; and
- 87% were employees with paid leave entitlements.

Chart 3: Share of people usually working one hour a week, by selected characteristics, 2020 annual average, Original



## What if people working one hour were not employed?

Given how few people work one hour a week, labour force statistics would not change by

much if they weren't considered employed. For example, on average:

- the employment-to-population ratio would generally be around 0.1 pts lower; and
- the unemployment rate would generally be around 0.1 pts higher if all people usually working one hour a week were re-categorised as unemployed.

## **Understanding working arrangements**

Employment statistics necessarily include everyone who undertakes paid work, no matter how many hours they work. In addition to hours worked and underemployment, there are many other ways (and other data sources) that can be used to look at the diverse nature and characteristics of people's jobs.

For example, <u>Working arrangements (/statistics/labour/earnings-and-work-hours/working-arrangements/latest-release)</u> showed that of employees in August 2020:

- 20% (2.1 million) didn't have minimum guaranteed hours;
- 20% (2.1 million) didn't usually work the same number of hours each week;
- 24% (2.5 million) had earnings that vary from one period to the next (excluding overtime payments);
- 9% (almost 1 million) didn't expect to be working for their current employer in 12 months; and
- 20% considered their job to be casual (2.1 million).

For further information, email <u>labour.statistics@abs.gov.au</u> (<u>mailto:labour.statistics@abs.gov.au</u>).